

Exhibit 1

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Clerk of Court
Superior Court of CA,
County of Santa Clara
20CV368535
Reviewed By: L Del Mundo

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10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 FOR THE COUNTY OF SANTA CLARA
12 UNLIMITED JURISDICTION

13 JINJU ZHANG, an individual;
14
15 Plaintiff,

16 v.

17 BENLIN YUAN, an individual; HONG
18 LIN, an individual; CAMIWELL INC., a
California corporation; and DOES 1 to 10,
inclusive,

19 Defendants.

Case No. 20CV368535

**COMPLAINT FOR DIRECT AND
DERIVATIVE CLAIMS FOR:**

1. **Breach of Fiduciary Duty**
2. **Unfair Competition**
3. **Violation of Corporations Code
§§ 1601 and 1602**
4. **Accounting**

DEMAND FOR JURY TRIAL

COMPLAINT

Plaintiff Jinju Zhang (“Zhang”) states and alleged on behalf of himself and derivatively on behalf of Camiwell, Inc. as follows for his Complaint against Defendants Benlin Yuan, an individual (“Yuan”), Hong Lin, an individual (“Lin”), Camiwell Inc., a California corporation (“Camiwell, Inc.”), and Does 1 to 10, inclusive (the “Does” and together with Yuan, Lin, and Camiwell, Inc., “Defendants”):

THE PARTIES

1. Zhang is, and at all times relevant to this action has been, an individual residing and conducting business in Santa Clara County, California. Zhang currently owns at least 35% of the shares of Camiwell, Inc.

2. Zhang is informed and believes, and based thereon alleges, that Yuan is, and at all times relevant to this action has been, an individual residing in Mississauga, Canada and conducting business in Santa Clara County, California. Yuan currently owns at most 40% of the shares of Camiwell, Inc. and, together with his wife Lin, controls 65% of Camiwell, Inc.

3. Zhang is informed and believes, and based thereon alleges, that Lin is, and at all times relevant to this action has been, an individual residing in Mississauga, Canada and conducting business in Santa Clara County, California. Lin currently owns at most 25% of the shares of Camiwell, Inc. and, together with her husband Yuan, controls 65% of Camiwell, Inc.

4. Zhang is informed and believes, and based thereon alleges, that Camiwell, Inc. is, and at all times relevant to this action has been, a corporation organized and existing under the laws of California and conducting business in Santa Clara County, California, with its principal office located in Santa Clara, California.

5. The Does are sued herein under fictitious names, and their true names and capacities are unknown to Zhang. When the Does' true names and capacities are ascertained, Zhang will amend this complaint by inserting their true names and capacities herein.

6. Zhang is informed and believe, and based thereon alleges, that each of the Does is responsible in some manner for the occurrences herein alleged and that Zhang’s damages as herein alleged were proximately caused by such Defendants.

1 foreign limited liability company doing business in California. Camiwell, LLC was later
2 converted to a corporation in California on June 8, 2018.

3 14. Camiwell, Inc. has also been registered to engage in business as a corporation in
4 Virginia.

5 15. Camiwell Inc. has a related entity, Camiwell Inc., that is located in Mississauga,
6 Ontario, Canada (“Camiwell Canada”). Camiwell Canada was incorporated by Yuan in Ontario in
7 December 2013. Camiwell Canada is owned exclusively by Yuan and Lin.

8 16. Camiwell, Inc. and Camiwell Canada are related as they perform the same
9 business services, share the same website, have substantially the same customers, and share the
10 same ownership (other than Zhang, who is only a shareholder of Camiwell, Inc.). Additionally,
11 Plaintiff believes that Camiwell, Inc. and Camiwell Canada utilize the same or substantially
12 similar employees.

13 17. Until the end of 2018, Camiwell Inc.’s main customer was Beijing Asiacom
14 Technology Co. Ltd. (“Asiacom”), which is a contractor for large Chinese technology companies.
15 Asiacom would subcontract their IT work to Camiwell, Inc., amounting to about 95% of
16 Camiwell Inc.’s business. Zhang believes that Yuan and/or his brother hold an ownership interest
17 in Asiacom.

18 18. Beginning in 2018, Yuan began negotiating with Asiacom regarding Asiacom’s
19 acquisition of Camiwell, Inc. Zhang did not become aware of this until around April or May
20 2018. Zhang and Yuan were ultimately unable to agree to the terms of the acquisition and the
21 acquisition fell through towards the end of 2018. After the acquisition fell through, Beijing
22 Asiacom entered the Canadian and US markets by merging with Camiwell Canada and creating
23 and operating Asiacom Americas Inc. in the United States (“Asiacom US”). Zhang believes that
24 Yuan and/or his brother have an equity interest in Asiacom US.

25 19. Around the same time that Asiacom US entered the Canadian and US markets,
26 Yuan began pushing Zhang to dissolve Camiwell, Inc. Zhang was suspicious of the dissolution
27 because he believed Yuan and Lin may be attempting to cut Zhang out of Camiwell, Inc. and
28 transfer all of Camiwell, Inc.’s assets and business to Asiacom US, a company in which Zhang

1 does not own an interest as outlined below, thereby depriving Zhang of money to which he would
2 be entitled as a shareholder.

3 20. Zhang believes that, since the acquisition with Asiacom fell through, Yuan and Lin
4 have been transferring Camiwell Inc.'s assets, including but not limited to, money, employees,
5 the lease for Camiwell Inc.'s office, and equipment, to Asiacom or Asiacom US, either directly or
6 through Camiwell Canada, for little or no consideration, and without Board of Director approval.
7 For example, on July 31, 2018, Yuan transferred \$92,000 from Camiwell, Inc. to Camiwell
8 Canada without any justification or explanation for the transfer. When Zhang asked about the
9 transfer, Yuan stated that it was for expenses, but did not provide a list of specific expenses or
10 proof of those expenses. Additionally, in January 2019, Camiwell, Inc.'s employees were
11 transferred to Asiacom or Asiacom US. On or about May 15, 2019, Yuan attempted to transfer
12 monies from the Camiwell, Inc. bank account to a third-party Hong Kong account without
13 permission or business purpose, and in July 2019, Camiwell Inc.'s lease for office space was
14 transferred to Asiacom or Asiacom US. As a result, at the end of 2018, Asiacom/Asiacom US
15 informed Zhang that it would no longer need Camiwell, Inc.'s services, effectively forcing
16 Camiwell, Inc. out of business.

17 21. In 2017, 2018, and 2019, Yuan provided financial information to the accountant to
18 file the company's tax returns. The numbers listed in the tax returns appear to be fraudulent and
19 Zhang never received financial documentation to support those numbers. For example, in 2018,
20 there are subcontractor costs of \$300,000 USD to Canada on the Camiwell, Inc. balance sheet
21 without any back up information ever provided to Zhang. In 2019, Camiwell, Inc. was essentially
22 not conducting any business related activities, but reported revenue increased while expenses
23 remained similar to 2018.

24 22. Due to Yuan's request to dissolve Camiwell, Inc. and Zhang's belief that Yuan and
25 Lin were transferring assets to Asiacom or Asiacom US, Zhang requested that Defendants
26 produce certain corporate documents for Zhang's review so that he could confirm the accuracy of
27 the financial information that Yuan was providing to Zhang. Defendants refused to produce the
28 requested documents.

1 23. In December 2018, Zhang hired an attorney, Stephen Lou of Lou Lawyers, to help
2 advise them about the possible dissolution of Camiwell, Inc. Mr. Lou sent multiple demand letters
3 to Defendants requesting that Defendants produce documents that Zhang, as a director and
4 shareholder, had a right to review. Defendants refused to produce the requested documents.

5 24. On February 26, 2020, after multiple requests for documents over more than one
6 year, Defendants produced certain documents. On March 23, 2020, Zhang's attorney sent a letter
7 to Defendants' attorney outlining the documents that were missing from the February 26, 2020
8 production. On March 27, 2020, Defendants' attorneys sent a letter refusing to produce additional
9 documents as Defendants believed the requested documents were beyond the scope of
10 information that a shareholder is entitled to inspect under California Corporations Code section
11 213, 1501, 1600, and 1603. To date, Defendants have failed to produce all of the documents
12 requested by Zhang to which he is entitled to inspect based on his rights as a director and
13 shareholder of Camiwell, Inc.

14 25. Due to Defendants' refusal to allow Zhang to review Camiwell, Inc.'s books and
15 records, Zhang cannot determine (1) the assets transferred from Camiwell, Inc. to Camiwell
16 Canada, Asiacom, or Asiacom US; (2) the accuracy of the financial information that has been
17 provided to them by Defendants; and (3) any outstanding money owed to and withheld from
18 Zhang.

19 26. Besides his formal demands to view Camiwell, Inc.'s books and records, Zhang
20 has not made any formal demands on Camiwell, Inc.'s Board of Directors to investigate and
21 prosecute the wrongdoings alleged herein because making a demand would be futile. The Board
22 of Directors consists of three people, with two being defendants and the third being Zhang.
23 Moreover, Yuan and Lin own 65% of the shares of stock in the Camiwell, Inc. with the other 35%
24 owned by Zhang.

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FIRST CAUSE OF ACTION

Derivative Claim for Breach of Fiduciary Duty

(Against Defendants Yuan, Lin, and Does 1 through 10)

27. Zhang restates and incorporates herein by this reference each and all of the allegations contained in the preceding paragraphs as though fully set forth herein.

28. Yuan, as an owner, officer, director, and shareholder of Camiwell, Inc., Lin, as a director and a shareholder of Camiwell, Inc., and Yuan and Lin as majority shareholders of Camiwell, Inc., owe fiduciary duties to Camiwell, Inc. and its shareholders, including Zhang.

29. Zhang is informed and believes, and based thereon alleges that Yuan and Lin breached their fiduciary duties to Camiwell, Inc. and its shareholders, including Zhang, through the actions alleged above, which include, but are not limited to, transferring Camiwell, Inc. assets and business to Asiacom US, a company in which Zhang does not own an interest, while attempting to dissolve Camiwell, Inc., thereby harming Camiwell, Inc. and depriving Zhang of money to which he would be entitled as a shareholder.

30. As a direct and proximate result of the breach of fiduciary duty committed by Yuan and Lin, Camiwell has been damaged in an amount to be proven at trial.

31. The aforementioned conduct was undertaken by Yuan and Lin with the intent to deprive Camiwell, Inc. of its legal rights or property or to otherwise cause injury. Yuan and Lin's acts constitute oppressive and malicious conduct, thereby justifying an award of exemplary and punitive damages in an amount to be determined at trial.

WHEREFORE, Zhang prays for judgment as hereinafter set forth.

SECOND CAUSE OF ACTION

Derivative Claim for Unfair Competition

(Against Defendants Yuan, Lin, and Does 1 through 10)

32. Zhang restates and incorporates herein by this reference each and all of the allegations contained in the preceding paragraphs as though fully set forth herein.

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33. California Business and Professions Code, section 17200 explains that "unfair competition shall mean and include any unlawful, unfair or fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising."

34. Zhang is informed and believes, and based thereon alleges, after Asiacom's acquisition of Camiwell, Inc. fell through, Yuan and Lin began engaging in intentional acts in order to effectively put Camiwell, Inc. out of business to the detriment of Camiwell, Inc. and its shareholders, including Zhang. Such acts include, but are not limited to (1) transferring Camiwell, Inc.'s assets and work to Asiacom or Asiacom US, either directly or through Camiwell Canada; and (2) attempting to dissolve Camiwell, Inc.

35. Yuan's and Lin's actions are unlawful, unfair, and fraudulent, and thus amount to a violation of Business and Professions Code Section 17200.

36. As a direct and proximate result of Yuan's and Lin's conduct, Yuan and Lin have been unjustly enriched at the expense of Camiwell, Inc. and its shareholders.

WHEREFORE, Zhang prays for judgment as hereinafter set forth.

THIRD CAUSE OF ACTION

Direct Claim for Violation of Corporations Code §§ 1601 and 1602

(Against Camiwell, Inc. and Does 1 through 10)

37. Zhang restates and incorporates herein by this reference each and all of the allegations contained in the preceding paragraphs as though fully set forth herein.

38. California Corporations Code section 1601 allows a shareholder, upon written demand on the corporation, to inspect the accounting books and records of the corporation, and the minutes of proceedings of the shareholders and the board and committees of the boards of the corporation in which he or she is a shareholder.

39. California Corporations Code section 1603 provides directors with the "the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation of which such person is a director and also of its subsidiary corporations, domestic or foreign."

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1 40. Zhang has made repeated written demands on Camiwell, Inc. to make available for
2 inspections all of its books, records, and documents to that which he is entitled to inspect as a
3 shareholder and director of Camiwell, Inc.

4 41. Such documents related to (1) the assets transferred from Camiwell, Inc. to
5 Asiacom or Asiacom US; (2) the accuracy of the financial information that has been provided to
6 them; and (3) any outstanding money, including any shareholder distributions, owed to and
7 withheld from Zhang.

8 42. Despite the reasonable request for information, Camiwell, Inc. has refused to
9 produce all of the requested documents to which Zhang is entitled to inspect, instead stating that
10 some of the documents are outside the scope of information that Zhang is entitled to inspect under
11 California Corporations Code section 213, 1501, 1600, and 1603.

12 43. Zhang is informed and believes that, unless enjoined by order of the Court,
13 Camiwell, Inc. will continue to withhold material documents and information from Zhang. No
14 adequate remedy exists at law for the injuries alleged herein, and Zhang will suffer great and
15 irreparable injury if the wrongful conduct is not immediately enjoined and restrained.

16 44. Pursuant to California Corporations Code section 1603(a), Zhang is entitled to an
17 order from the Court requiring Camiwell, Inc. to produce its books and records for inspection by
18 Zhang.

19 45. Zhang is entitled to an award of costs and reasonable attorneys' fees under
20 California Corporations Code section 1604.

21 WHEREFORE, Zhang prays for judgment as hereinafter set forth.

22 **FOURTH CAUSE OF ACTION**

23 **Direct Claim for Accounting**

24 **(Against Camiwell, Inc. and Does 1 through 10)**

25 46. Zhang restates and incorporates herein by this reference each and all of the
26 allegations contained in the preceding paragraphs as though fully set forth herein.

27 47. Zhang is a current shareholder of Camiwell, Inc., and as such, is entitled to
28 shareholder distributions from Camiwell, Inc.

indirectly committing any violations of Business and Professions Code Section 17200 *et seq.*, including but not limited to, the violations alleged in this Complaint;

2. For compensatory damages in an amount to be proven at trial;
3. For costs of suit incurred herein.
4. For such other and further relief as this Court may deem just and proper

On the Third Cause of Action

1. For an order compelling Camiwell, Inc. to produce for inspection all books, records, and documents authorized by California Corporations Code sections 1601 and 1602;
2. For Zhang's attorneys' fees pursuant to Corporations Code section 1604;
3. For Zhang's costs of suit incurred herein pursuant to Corporations Code section 1604; and
4. For such other and further relief as this court may deem just and proper.

On the Fourth Cause of Action

1. For an accounting between Camiwell, Inc. and Zhang;
2. For payment over to Zhang of the amount due from Camiwell, Inc. as a result of the account;
3. For Zhang's attorneys' fees;
4. For costs of suit incurred herein; and
5. For such other and further relief as this court may deem just and proper.

Dated: July 20, 2020

DONAHUE FITZGERALD LLP

By: 

Andrew S. MacKay
Padmini Cheruvu
Attorneys for Plaintiff JINJU ZHANG

DEMAND FOR JURY TRIAL

Plaintiff Jinju Zhang demands a jury trial on all issues triable by right of jury.

Dated: July 20, 2020

DONAHUE FITZGERALD LLP



By: _____

Andrew S. MacKay
Padmini Cheruvu
Attorneys for Plaintiff JINJU ZHANG